

CHARTERED BUSINESS VALUATORS—EXPERTS WORTH KNOWING

The Chartered Business Valuator (CBV) designation is not yet a household name, but its practitioners are front-line players in many dynamic areas of finance and accounting. Involved in compliance, succession, disputes, and corporate finance, CBVs quantify the worth of all or part of a business and its securities, and have the ability to determine the value of both tangible and intangible assets.

More than a science, business valuation is a subjective art. It takes into account difficult-to-measure aspects of business including intangible assets and goodwill. For a CBV, this could mean getting the grand tour of an auto parts manufacturer looking to go public, or travelling abroad to value an aggregate mining site. And with the introduction of fair value accounting as an industry standard, professional accountants with the CBV designation will likely see their knowledge being integrated into everyday financial accounting procedures.

Recently, *Prospectus* had the opportunity to talk to Drew S. Dorweiler, a Chartered Business Valuator (CBV) with years of experience in the valuation of sports teams and franchises. Drew took us into his specialized field of valuation and gave us some advice for Queen's finance graduates of 2010.

1. What sports team valuations have you worked on and what was your part in the deal-making?

While many of my mandates are confidential in nature, I can confirm that I valued the Toronto Maple Leafs franchise in connection with the matter between The Attorney General of Ontario and Steve Stavro, which was in the media spotlight for two years. I have performed valuations not only for transactional or financing purposes but also for shareholder disputes, damage claims for lost profits, tax and estate planning, oppression remedy cases, etc. In addition, I have valued such diverse sports properties such as National Hockey League, National Basketball Association, Major League Baseball, Canadian Football League, English Premier League, Quebec Major-Junior Hockey League and Ontario Hockey League franchises, arenas, naming rights, concession rights, "big screen" scoreboards, etc.

2. If you could boil valuation down to five steps, what would they be? Walk us through how you go about valuing a sports team.

Being that I am reluctant to oversimplify the valuation process and/or give away all my professional secrets, I will, nevertheless, point out that sports franchise valuations

frequently consider revenue streams from sources such as ticket sales, private boxes and luxury seats, advertising, broadcasting, concessions and merchandising. Moreover, prices and multiples implied by comparable transactions of other franchises in the same sport are also often relevant to the valuation process. Other salient factors impacting sports franchise value may include demographics (e.g., local popularity of the sport, size and wealth of market area), leverage, ownership vs. leasing of arena, common ownership of other sports teams at the same facility (i.e., team-alliance synergies), etc.

3. What are some of the perks of being a CBV (travel, new experiences, access to off-the-beaten-path places/businesses?)

While some CBVs view extensive travel and high-pressure litigation and transaction work as exciting, others deem such aspects of the profession as undesirable, being that they often result in significant stress and diversion from home life. In my view, there is ample room in the profession both for CBVs who are seeking fast-paced challenges, as well as those desiring a more holistic lifestyle. One perk that the profession affords all CBVs is a continually changing assortment of clientele and mandates. Creativity and an aptitude for problem solving are distinct assets for the

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successful business valuator.

4. How does being a CBV equip you with the skills you need to work in the areas you do?

As I work exclusively as a business valuation and litigation support professional, the CBV credential is *de rigueur* to maintain and attract clientele, and enhance my status as an expert witness in litigation mandates. This is because to obtain the CBV designation, a valuation professional is required to demonstrate expertise in sophisticated and diverse subjects such as accounting, finance, taxation, law, and management consulting from both an academic and an experience perspective.

5. What's your advice to the graduating class of 2010?

I would encourage the 2010 graduating class to seriously consider pursuing careers as Chartered Business Valuators, as this continues to be a growth profession that absorbs the impact of cyclical changes in the economy relatively well. Typically, the volume of transactional valuations and corporate finance work will be robust during healthy economic times; during periods of downturn, the slowdown in this type of work will be supplanted by increased amounts of financial litigation mandates, damage claims, etc. CBVs also benefit from assignments that are frequently exciting and challenging in nature, as well as compensation levels commensurate with the high level of expertise required to succeed in the valuation profession.

How to Become a CBV

The CBV designation is awarded to individuals that have completed a Programme

of Study offered through The Canadian Institute of Chartered Business Valuators (CICBV). The largest professional valuation association in Canada, established in 1971, The CICBV is the sole administrator of the CBV designation, offered through correspondence (distance learning) in collaboration with York University. This practical way of learning allows students to work while earning their student credits on their own time, at their own convenience.

The CICBV Programme of Studies is

designed as a three-year program, but may be completed in a shorter period. The program consists of four mandatory and two elective courses which are selected from the ten courses offered. The four mandatory courses include Introductory, Intermediate, and Advanced Business and Security and Security Valuation, as well as a combined law and tax course.

For more information on the CBV Programme of Studies, please visit www.cicbv.ca

